October 4, 2004

To All Agencies Heads

Dear Colleagues,

Over the past year, Governor Warner has tasked state agencies with enhancing operational efficiency. One way to accomplish this objective is to spend telecommunication dollars more effectively. To assist with this effort, VITA has created a Web-based tool that makes it possible—even easy—for your agency to make an assessment of its current cellular phone plan that otherwise would have been impossible or impractical to do on its own. The Web Cellular Tool analyzes a customer's cellular calling pattern, and provides recommendations for switching to the most efficient and cost-effective Alltel Cellular Service plan that best meets your specific business needs.

The Department of Motor Vehicles (DMV) piloted the Web Cellular Tool in 2003 to validate expected cost savings, resulting in a 50 percent cellular cost reduction for DMV. Currently, the Commonwealth spends $316,889 on cell phones monthly. It is estimated that through the use of the Web Cellular Tool and subsequent switching of agency cellular phone plans to optimized service plans on state contract, Virginia's monthly cellular cost could be reduced to $201,851 – a 36% cost savings. This could result in an annualized savings of $1.38M for the Commonwealth.

Converting phones to a new contract or a new plan does not disrupt usage or change the phone number. Further, converting to a new plan does not necessarily require the purchase of a new phone—in most cases, the existing phone will work on the new plan if it is digital or tri-mode.

Agencies are being asked to review monthly cell phone bills using the Web Cellular Tool, http://www.vita.virginia.gov/services/voiceServices/cell_logon/, and follow the recommendations for cost savings. If your Telecommunications Coordinator does not have a logon to access the Web Tool, they can request one using the Web Tool link above.

Forms for converting to different contracts or plans are located at http://www.vita.virginia.gov/misforms/forms/TSRv2.cfm (to submit online) and http://www.vita.virginia.gov/docs/forms/TSRform.pdf (print and fax).

To further assist you, VITA posted a cellular report for your agency to the Cellular Tool Web site. The report shows the average cost of your agency's ALLTEL cell phones, as well as the number of cellular phones, by month for 2003 and 2004. The Plan Changes indicate how many cell phones were converted to new plans during the reporting period. The Current Savings compares the average monthly cellular phone cost for 2003 to 2004. The Projected Savings is computed from the difference between the recommendations from the Web Tool and the current monthly cost of your cellular phones.

So we can provide you with continuing updates on potential cost savings, this report will be available online through the Cellular Tool Web site monthly. If you or your Telecommunications Coordinator have questions or need assistance, please call the VITA Customer Care Center (VCCC) at (804) 786-3932 or (800) 533-1659. Or you may e-mail the VCCC at vccc@vita.virginia.gov.

A second identified area of potential telecommunications savings relates to cell phones and pagers. A study completed at one agency showed a 20% overlap of employees who had both agency-assigned pagers and cell phones. Some overlap may be necessary because of a lack of coverage at a user's residence, work coverage area, etc. Agencies should carefully check their distribution lists to determine that instances of overlap are justified.

The same study showed that when cell phones and pagers were accessed multiple times over a three week period (leaving voice mail messages or pages), between 25% and 35% of the cell phone/pager owners did not return the messages/pages. Agencies need to look at the distribution of the phones/pagers and determine the true need and allocation of these assets. Agencies should conduct their own audits in-house. If the phones/pagers are not turned on and/or are not being used, money could be saved by turning this equipment in and canceling the leases. Not all agencies have emergency service type activities as part of their mission, and some agencies are saving money by keeping a "pool" of cell phones and assigning them on a temporary, as-needed basis (i.e., when employees are traveling, special circumstances, etc.).

In summary, agencies are requested to continually review their wireless needs as an opportunity to save money by:

- Reviewing cell phone bills to determine if phones are being used appropriately;
- Using the on-line Web Cellular Tool and the monthly report to determine if a different contract/calling plan would be more economical;
- Reviewing overlapping allocation of pagers and cell phones; and
- Regularly auditing (biannually, quarterly, etc.) all cell phones/pagers by calling/paging and leaving messages/pages to determine if they are in use and recall the unit if it is not being used.

VITA, as always, is available to assist you in implementing any of these suggestions.

Sincerely,

Lemuel C. Stewart, Jr.